

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
and
OMB CIRCULAR A-133, SINGLE AUDIT REPORTS
YEAR ENDED JUNE 30, 2010**

KENNEDY MCKEE & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS
1100 W. FRONTVIEW • P.O. Box 1477 • DODGE CITY, KANSAS 67801 • (620) 227-3135

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Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308

JAMES W. KENNEDY, CPA
JAMES R. SHIRLEY, CPA
LU ANN WETMORE, CPA
ROBERT C. NEIDHART, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 443
Dodge City, Kansas

We have audited the accompanying financial statements of Unified School District No. 443, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note A, Unified School District No. 443 has prepared these financial statements using accounting practices prescribed by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 443 as of June 30, 2010, or the changes in its financial position for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Unified School District No. 443, as of June 30, 2010, and their respective cash receipts, expenditures, and budgetary comparisons, for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2011, on our consideration of Unified School District No. 443's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kennedy McKee & Company LLP

January 14, 2011

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH (DEFICIT)**

Year ended June 30, 2010

<u>Fund</u>	<u>Beginning unencumbered cash balance (deficit)</u>	<u>Prior year canceled encumbrances</u>
Governmental funds:		
General funds:		
General	\$ (4,907,780)	\$ 4,581
Supplemental general	(1,220,581)	-
Special revenue funds:		
Bilingual education	7,949	1,004
Capital outlay	4,570,459	11,678
Driver training	43,698	-
Food service	341,421	-
Professional development	124,488	44
Special education	1,020,976	-
At risk	8,945	73
Virtual Education	-	-
Summer school	1,680,675	-
Vocational education	294,749	-
Parents as teachers	4,262	-
KPERS special retirement contribution	-	-
4 year old at risk	23,814	-
Non-budgeted special revenue funds:		
Pepsi donation/agreement	40,738	-
Textbook and student materials revolving	187,688	22,209
Pre-K pilot program	1,660	-
Kansas early learning collaboration	(10,964)	10
Kansas equity	(22,878)	-
NCCEP	14,189	-
Gifts and grants	541,668	16,916
Kansas lab for education leaders	-	39
Contingency reserve	3,132,500	-
SAFE	-	-
Green schools grant	(9,612)	-
Special revenue federal grant funds:		
Title I	3,904	-
Title I migrant/school improvement	1,030	43
Title V Innovative programs	(134)	-
Title IID ed technology	100	-
Head start	(258,782)	244
Kansas early head start	(75,716)	224
Drug free schools program	(842)	-
Program improvement	100	-
Title III English language acquisition	19	-
Title IIA teacher quality	(449)	3
Kansas advance placement	15,000	-
ARRA education for homeless	-	-

<u>Cash receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add outstanding encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 41,741,145	\$ 42,586,578	\$ (5,748,632)	\$ 149,494	\$ (5,599,138)
12,469,723	12,501,992	(1,252,850)	42,253	(1,210,597)
3,013,686	3,013,686	8,953	85,980	94,933
4,154,975	4,658,853	4,078,259	755,894	4,834,153
-	-	43,698	-	43,698
3,488,108	3,318,626	510,903	-	510,903
216,777	178,409	162,900	-	162,900
6,142,387	6,142,320	1,021,043	308	1,021,351
9,224,390	9,224,390	9,018	6,297	15,315
51,755	32,096	19,659	-	19,659
137,758	369,388	1,449,045	-	1,449,045
1,248,782	1,189,004	354,527	-	354,527
76,672	74,697	6,237	3,442	9,679
2,809,820	2,809,820	-	-	-
314,241	319,389	18,666	-	18,666
14,865	31,234	24,369	-	24,369
233,099	201,932	241,064	4,348	245,412
186,390	186,856	1,194	27,376	28,570
89,641	100,656	(21,969)	-	(21,969)
22,878	-	-	-	-
-	-	14,189	-	14,189
267,314	24,395	801,503	-	801,503
-	39	-	-	-
1,126,157	-	4,258,657	-	4,258,657
46,646	31,536	15,110	-	15,110
2,620	-	(6,992)	-	(6,992)
1,996,411	2,000,315	-	7,729	7,729
1,200,000	1,201,030	43	8,977	9,020
-	(134)	-	-	-
37,478	37,577	1	1,402	1,403
2,075,841	2,135,186	(317,883)	36,680	(281,203)
487,175	471,861	(60,178)	30,648	(29,530)
26,141	25,228	71	3,463	3,534
69,421	69,421	100	-	100
237,619	237,460	178	1,342	1,520
268,120	267,671	3	508	511
-	9,902	5,098	3,117	8,215
560	560	-	-	-

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH (DEFICIT) (CONTINUED)**

Year ended June 30, 2010

<u>Fund</u>	<u>Beginning unencumbered cash balance (deficit)</u>	<u>Prior year canceled encumbrances</u>
Special revenue other funds:		
District special	\$ 27,426	\$ -
High school	5,540	-
Middle school	461	-
Central elementary	112	-
Northwest elementary	1,023	-
Sunnyside elementary	1,579	-
Wilroads Gardens elementary	197	-
Kansas Heritage Center	83,791	-
Ross elementary	-	-
District activity funds	265,833	-
Debt service funds:		
Special assessment	112,682	-
Bond and interest	3,040,658	-
Certificates of participation principal and interest	4,330	-
Capital projects fund:		
Construction	167,688	-
Permanent fund:		
Marilyn Shipley Children Literacy	3,825	-
Total reporting entity (excluding agency funds)	<u>\$ 9,267,439</u>	<u>\$ 57,068</u>
Composition of cash balance:		
Checking accounts		
Money market accounts		
Certificates of deposit		
State municipal investment pool		
Trust accounts		
Petty cash		
Total cash		
Agency funds		
Total reporting entity (excluding agency funds)		

The accompanying notes are an integral part of the financial statements.

<u>Cash receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add outstanding encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 45,421	\$ 51,965	\$ 20,882	\$ -	\$ 20,882
8,722	9,711	4,551	-	4,551
-	25	436	-	436
2,240	567	1,785	-	1,785
-	-	1,023	-	1,023
5,206	5,376	1,409	-	1,409
1,292	1,340	149	-	149
47,992	45,977	85,806	-	85,806
2,190	2,010	180	-	180
605,092	436,298	434,627	-	434,627
105,519	122,499	95,702	-	95,702
5,102,671	5,160,220	2,983,109	-	2,983,109
1,596,705	1,596,700	4,335	-	4,335
5,575,196	5,560,485	182,399	4,211,337	4,393,736
308	252	3,881	-	3,881
<u>\$ 106,577,149</u>	<u>\$ 106,445,398</u>	<u>\$ 9,456,258</u>	<u>\$ 5,380,595</u>	<u>\$ 14,836,853</u>

\$ 6,670,359
1,552,645
1,050,000
1,830,229
4,899,440
75
<u>16,002,748</u>
<u>(1,165,895)</u>
<u>\$ 14,836,853</u>

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Year ended June 30, 2010

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:						
General	\$ 43,520,972	\$ (934,394)	\$ -	\$ 42,586,578	\$ 42,586,578	\$ -
Supplemental general	12,501,992	-	-	12,501,992	12,501,992	-
Special revenue funds:						
Bilingual education	3,013,686	-	-	3,013,686	3,013,686	-
Capital outlay	7,947,583	-	-	7,947,583	4,658,853	3,288,730
Driver training	43,698	-	-	43,698	-	43,698
Food service	3,841,972	-	-	3,841,972	3,318,626	523,346
Professional development	318,682	-	-	318,682	178,409	140,273
Special education	7,048,576	-	-	7,048,576	6,142,320	906,256
At risk	9,326,595	-	-	9,326,595	9,224,390	102,205
Virtual education	100,000	-	-	100,000	32,096	67,904
Summer school	831,847	-	-	831,847	369,388	462,459
Vocational education	1,348,782	-	-	1,348,782	1,189,004	159,778
Parents as teachers	30,000	-	45,313	75,313	74,697	616
KPERS special retirement contribution	3,217,771	-	-	3,217,771	2,809,820	407,951
4 year old at risk	338,056	-	-	338,056	319,389	18,667
Debt service funds:						
Special assessment	127,447	-	-	127,447	122,499	4,948
Bond and interest	5,160,419	-	-	5,160,419	5,160,220	199
Total	\$ 98,718,078	\$ (934,394)	\$ 45,313	\$ 97,828,997	\$ 91,701,967	\$ 6,127,030

The accompanying notes are an integral
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Tax in process	\$ 89,691	\$ 98,113	\$ 62,486	\$ 35,627
Current tax	3,056,254	3,121,557	2,984,805	136,752
Delinquent tax	74,894	46,870	52,404	(5,534)
In lieu of tax	142,617	131,010	117,236	13,774
Federal sources:				
ARRA stabilization	-	1,958,253	1,958,253	-
State sources:				
State aid - general	34,430,269	32,396,312	33,427,021	(1,030,709)
State aid - special education	4,812,211	3,984,123	4,918,767	(934,644)
Mineral production tax and other	2,745	4,907	-	4,907
Machinery and equipment tax	41,353	-	-	-
Total cash receipts	42,650,034	41,741,145	\$ 43,520,972	\$ (1,779,827)
Expenditures subject to legal maximum budget:				
Instruction	11,752,671	10,748,537	\$ 12,417,308	\$ 1,668,771
Support services:				
Student support services	47,295	52,480	47,762	(4,718)
Instructional support staff	345,731	339,019	348,311	9,292
General administration	1,164,055	1,057,049	1,229,844	172,795
School administration	175,054	189,292	1,134,948	945,656
Operations and maintenance	4,433,743	3,328,136	4,360,457	1,032,321
Student transportation services:				
Supervision	181,764	150,604	986,632	836,028
Vehicle operating services	1,177,984	1,247,858	816,171	(431,687)
Vehicle services and maintenance services	327,626	389,137	178,987	(210,150)
Other supplemental services	1,027,203	1,019,334	-	(1,019,334)
Architectural and engineering services	-	3,750	-	(3,750)
Repair and remodeling building	-	1,848,178	-	(1,848,178)
Operating transfers	23,584,234	22,213,204	22,000,552	(212,652)
Adjustment to comply with legal maximum budget	-	-	(934,394)	(934,394)
Total expenditures	44,217,360	42,586,578	\$ 42,586,578	\$ -
Receipts over (under) expenditures	(1,567,326)	(845,433)		
Unencumbered cash (deficit), beginning of year	(3,343,555)	(4,907,780)		
Prior year canceled encumbrances	3,101	4,581		
Unencumbered cash (deficit), end of year	\$ (4,907,780)	\$ (5,748,632)		

The accompanying notes are an integral part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Tax in process	\$ 91,794	\$ 115,569	\$ 91,005	\$ 24,564
Current tax	3,354,564	3,829,650	3,560,203	269,447
Delinquent tax	84,825	61,421	57,895	3,526
Motor vehicle tax	437,804	444,479	454,434	(9,955)
Recreational vehicle tax	4,129	4,031	4,298	(267)
In lieu of tax	140,691	144,655	117,152	27,503
Federal sources:				
ARRA stabilization	-	1,982,710	-	1,982,710
State sources:				
State aid	6,819,788	5,887,208	7,859,377	(1,972,169)
Machinery and equipment tax	32,746	-	-	-
Total cash receipts	<u>10,966,341</u>	<u>12,469,723</u>	<u>\$ 12,144,364</u>	<u>\$ 325,359</u>
Expenditures subject to legal maximum budget:				
Instruction	1,802,995	1,535,919	\$ 1,677,550	\$ 141,631
Support services:				
Student support services	905,168	840,431	1,231,822	391,391
Instructional support staff	911,919	663,634	1,014,238	350,604
General administration	53,950	172,203	53,950	(118,253)
School administration	3,142,422	3,216,757	3,811,766	595,009
Operations and maintenance	1,582,211	2,617,676	2,293,952	(323,724)
Other supplemental services	632,771	695,218	-	(695,218)
Other acquisition and construction	-	3,080	-	(3,080)
Debt service	321,000	321,000	-	(321,000)
Operating transfers	<u>2,690,298</u>	<u>2,436,074</u>	<u>2,418,714</u>	<u>(17,360)</u>
Total expenditures	<u>12,042,734</u>	<u>12,501,992</u>	<u>\$ 12,501,992</u>	<u>\$ -</u>
Receipts over (under) expenditures	(1,076,393)	(32,269)		
Unencumbered cash (deficit), beginning of year	(148,070)	(1,220,581)		
Prior year canceled encumbrances	<u>3,882</u>	<u>-</u>		
Unencumbered cash (deficit), end of year	<u>\$ (1,220,581)</u>	<u>\$ (1,252,850)</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

BILINGUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Other	\$ -	\$ -	\$ 100,000	\$ (100,000)
Transfer from general fund	2,770,680	3,013,686	2,906,694	106,992
Total cash receipts	2,770,680	3,013,686	\$ 3,006,694	\$ 6,992
Expenditures:				
Instruction	2,602,458	2,916,961	\$ 2,844,264	\$ (72,697)
Support services:				
Student support services	71,807	46,476	72,525	26,049
Instructional support staff	15,800	1,562	64,520	62,958
General administration	48,238	48,687	-	(48,687)
Operations and maintenance	32,377	-	32,377	32,377
Total expenditures	2,770,680	3,013,686	\$ 3,013,686	\$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	6,992	7,949		
Prior year canceled encumbrances	957	1,004		
Unencumbered cash, end of year	\$ 7,949	\$ 8,953		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Tax in process	\$ 21,700	\$ 23,409	\$ 18,254	\$ 5,155
Current tax	679,742	693,862	667,289	26,573
Delinquent tax	19,473	13,400	11,729	1,671
Motor vehicle tax	101,089	100,293	101,937	(1,644)
Recreational vehicle tax	954	911	964	(53)
In lieu of tax	28,502	26,196	26,257	(61)
Interest	156,883	34,904	125,000	(90,096)
State sources:				
State aid	351,853	-	-	-
Machinery and equipment tax	8,291	-	-	-
Other	8,244	89,982	-	89,982
Transfer from general fund	2,897,213	3,172,018	3,170,721	1,297
Total cash receipts	4,273,944	4,154,975	\$ 4,122,151	\$ 32,824
Expenditures:				
Instruction	51,384	76,035	\$ 60,000	\$ (16,035)
Support services:				
Instructional support staff	-	902	70,000	69,098
Operations and maintenance	772,257	70,361	772,258	701,897
Transportation	-	519	85,000	84,481
Facility acquisition and construction services:				
Architectural and engineering services	168,440	658,715	600,000	(58,715)
New building acquisition and construction	290,359	-	-	-
Building additions	329,642	-	-	-
Site improvement	16,229	486,539	-	(486,539)
Repair and remodeling building	64,635	1,408,759	6,000,000	4,591,241
Debt service:				
Principal	340,000	355,000	355,000	-
Interest	16,677	5,325	5,325	-
Special assessment	32,526	-	-	-
Operating transfers	1,594,289	1,596,698	-	(1,596,698)
Total expenditures	3,676,438	4,658,853	\$ 7,947,583	\$ 3,288,730
Receipts over (under) expenditures	597,506	(503,878)		
Unencumbered cash, beginning of year	3,958,906	4,570,459		
Prior year canceled encumbrances	14,047	11,678		
Unencumbered cash, end of year	\$ 4,570,459	\$ 4,078,259		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

DRIVER TRAINING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	\$ 43,698	\$ 43,698
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	43,698	43,698		
Unencumbered cash, end of year	\$ 43,698	\$ 43,698		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
Federal aid	\$ 2,609,567	\$ 2,806,926	\$ 2,735,651	\$ 71,275
State aid	39,087	38,256	40,289	(2,033)
Interest	1,147	507	-	507
Charges for services	703,306	641,253	760,942	(119,689)
Other	-	1,166	-	1,166
Transfer from supplemental general fund	150,000	-	150,000	(150,000)
Total cash receipts	<u>3,503,107</u>	<u>3,488,108</u>	<u>\$ 3,686,882</u>	<u>\$ (198,774)</u>
Expenditures:				
Instruction	901	636	\$ -	\$ (636)
Operations and maintenance	59,328	42,561	60,229	17,668
Food service operations	<u>3,289,708</u>	<u>3,275,429</u>	<u>3,781,743</u>	<u>506,314</u>
Total expenditures	<u>3,349,937</u>	<u>3,318,626</u>	<u>\$ 3,841,972</u>	<u>\$ 523,346</u>
Receipts over (under) expenditures	153,170	169,482		
Unencumbered cash, beginning of year	<u>188,251</u>	<u>341,421</u>		
Unencumbered cash, end of year	<u>\$ 341,421</u>	<u>\$ 510,903</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
State aid	\$ 18,552	\$ -	\$ -	\$ -
Miscellaneous	5,950	22,274	-	22,274
Transfer from:				
General fund	59,341	194,503	194,503	-
Supplemental general fund	222,000	-	-	-
Total cash receipts	<u>305,843</u>	<u>216,777</u>	<u>\$ 194,503</u>	<u>\$ 22,274</u>
Expenditures:				
Instructional support staff	217,832	173,886	\$ 218,682	\$ 44,796
Other supplemental services	-	-	100,000	100,000
Refund to state	-	4,523	-	(4,523)
Total expenditures	<u>217,832</u>	<u>178,409</u>	<u>\$ 318,682</u>	<u>\$ 140,273</u>
Receipts over (under) expenditures	88,011	38,368		
Unencumbered cash, beginning of year	36,168	124,488		
Prior year canceled encumbrances	<u>309</u>	<u>44</u>		
Unencumbered cash, end of year	<u>\$ 124,488</u>	<u>\$ 162,900</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
Transfers from:				
General fund	\$ 5,466,000	\$ 3,984,123	\$ 5,057,672	\$ (1,073,549)
Supplemental general fund	1,681,012	2,158,264	1,990,904	167,360
Total cash receipts	<u>7,147,012</u>	<u>6,142,387</u>	<u>\$ 7,048,576</u>	<u>\$ (906,189)</u>
Expenditures:				
Instruction	6,678,747	5,864,970	\$ 6,778,001	\$ 913,031
Support services:				
Student support services	763	27,181	763	(26,418)
Student transportation services:				
Supervision	-	-	233,529	233,529
Vehicle operating service	267,502	231,549	36,283	(195,266)
Vehicle services and maintenance services	-	18,620	-	(18,620)
Total expenditures	<u>6,947,012</u>	<u>6,142,320</u>	<u>\$ 7,048,576</u>	<u>\$ 906,256</u>
Receipts over (under) expenditures	200,000	67		
Unencumbered cash, beginning of year	<u>820,976</u>	<u>1,020,976</u>		
Unencumbered cash, end of year	<u>\$ 1,020,976</u>	<u>\$ 1,021,043</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

AT RISK FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Miscellaneous	\$ -	\$ -	\$ 100,000	\$ (100,000)
Transfer from general fund	9,033,200	9,224,390	9,224,390	-
Total cash receipts	9,033,200	9,224,390	\$ 9,324,390	\$ (100,000)
Expenditures:				
Instruction	8,274,333	8,449,072	\$ 8,560,425	\$ 111,353
Support services:				
Student support services	554,743	563,002	560,289	(2,713)
School administration	175,632	183,105	177,389	(5,716)
Operations and maintenance	28,492	28,492	28,492	-
Vehicle operating services	-	719	-	(719)
Total expenditures	9,033,200	9,224,390	\$ 9,326,595	\$ 102,205
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	2,205	8,945		
Prior year canceled encumbrances	6,740	73		
Unencumbered cash, end of year	\$ 8,945	\$ 9,018		

The accompanying notes are an integral
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

VIRTUAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Year ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>	<u>Variance favorable (unfavorable)</u>
Cash receipts:			
Transfer from general fund	\$ 51,755	\$ -	\$ 51,755
Other	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
Total cash receipts	51,755	<u>\$ 100,000</u>	<u>\$ (48,245)</u>
Expenditures:			
Instruction	<u>32,096</u>	<u>\$ 100,000</u>	<u>\$ 67,904</u>
Receipts over (under) expenditures	19,659		
Unencumbered cash, beginning of year	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 19,659</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SUMMER SCHOOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
Fees	\$ 247,336	\$ 137,758	\$ -	\$ 137,758
Expenditures:				
Instruction	400,072	338,621	\$ 403,987	\$ 65,366
Support services:				
Student support services	2,132	7,174	2,154	(5,020)
School administration	-	-	400,000	400,000
Operations and maintenance	1,137	-	-	-
Vehicle operating services	24,320	23,593	-	(23,593)
Other supplemental services	-	-	25,706	25,706
Total expenditures	427,661	369,388	\$ 831,847	\$ 462,459
Receipts over (under) expenditures	(180,325)	(231,630)		
Unencumbered cash, beginning of year	1,861,000	1,680,675		
Unencumbered cash, end of year	\$ 1,680,675	\$ 1,449,045		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
Transfers from:				
General fund	\$ 1,300,000	\$ 970,972	\$ 970,972	\$ -
Supplemental general fund	-	277,810	277,810	-
Total cash receipts	<u>1,300,000</u>	<u>1,248,782</u>	<u>\$ 1,248,782</u>	<u>\$ -</u>
Expenditures:				
Instruction	1,157,517	1,114,207	\$ 1,171,313	\$ 57,106
School administration	26,793	25,439	27,038	1,599
Operations and maintenance	49,933	49,358	50,431	1,073
Other supplemental services	-	-	100,000	100,000
Total expenditures	<u>1,234,243</u>	<u>1,189,004</u>	<u>\$ 1,348,782</u>	<u>\$ 159,778</u>
Receipts over (under) expenditures	65,757	59,778		
Unencumbered cash, beginning of year	<u>228,992</u>	<u>294,749</u>		
Unencumbered cash, end of year	<u>\$ 294,749</u>	<u>\$ 354,527</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

PARENTS AS TEACHERS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
State aid	\$ -	\$ 45,313	\$ -	\$ 45,313
Transfer from general fund	30,000	31,359	31,359	-
Total cash receipts	30,000	76,672	\$ 31,359	\$ 45,313
Expenditures:				
Instruction	-	27,427	\$ -	\$ (27,427)
Support services:				
Student support services	30,000	40,399	30,000	(10,399)
School administration	-	6,871	-	(6,871)
Refund to state	4,799	-	-	-
Budget credit	-	-	45,313	45,313
Total expenditures	34,799	74,697	\$ 75,313	\$ 616
Receipts over (under) expenditures	(4,799)	1,975		
Unencumbered cash, beginning of year	9,061	4,262		
Unencumbered cash, end of year	\$ 4,262	\$ 6,237		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
State aid	\$ 2,750,232	\$ 2,809,820	\$ 3,217,771	\$ (407,951)
Expenditures:				
Instruction	1,695,207	1,731,973	\$ 1,964,507	\$ 232,534
Support services:				
Student support services	177,020	180,953	194,828	13,875
Instructional support staff	81,736	83,452	98,038	14,586
General administration	73,220	74,741	90,531	15,790
School administration	226,320	231,248	391,908	160,660
Operations and maintenance	209,898	214,389	246,774	32,385
Student transportation services:				
Supervision	83,027	84,857	103,275	18,418
Other supplemental services	101,124	103,401	2,104	(101,297)
Food service operation	102,680	104,806	125,806	21,000
Total expenditures	2,750,232	2,809,820	\$ 3,217,771	\$ 407,951
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

4 YEAR OLD AT RISK FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
		2010		
	2009	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Transfer from general fund	\$ 327,800	\$ 314,241	\$ 314,241	\$ -
Expenditures:				
Instruction	256,386	250,283	\$ 262,579	\$ 12,296
Support services:				
Student support services	47,600	61,594	48,075	(13,519)
Other supplemental services	-	7,512	27,402	19,890
Total expenditures	303,986	319,389	\$ 338,056	\$ 18,667
Receipts over (under) expenditures	23,814	(5,148)		
Unencumbered cash, beginning of year	-	23,814		
Unencumbered cash, end of year	\$ 23,814	\$ 18,666		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SPECIAL ASSESSMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			Variance favorable (unfavorable)
	2009	Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Tax in process	\$ 3,772	\$ 2,768	\$ 2,019	\$ 749
Current tax	80,486	81,806	78,446	3,360
Delinquent tax	2,979	1,870	1,386	484
Motor vehicle tax	15,985	15,845	15,887	(42)
Recreational vehicle tax	151	145	150	(5)
In lieu of tax	3,373	3,085	4,086	(1,001)
State sources:				
Machinery and equipment tax	825	-	-	-
Total cash receipts	<u>107,571</u>	<u>105,519</u>	<u>\$ 101,974</u>	<u>\$ 3,545</u>
Expenditures:				
Debt service:				
Principal	113,299	113,030	\$ 113,030	\$ -
Interest	<u>14,148</u>	<u>9,469</u>	<u>14,417</u>	<u>4,948</u>
Total expenditures	<u>127,447</u>	<u>122,499</u>	<u>\$ 127,447</u>	<u>\$ 4,948</u>
Receipts over (under) expenditures	(19,876)	(16,980)		
Unencumbered cash, beginning of year	<u>132,558</u>	<u>112,682</u>		
Unencumbered cash, end of year	<u>\$ 112,682</u>	<u>\$ 95,702</u>		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended June 30,			
	2010			Variance
	2009	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes and shared revenue:				
Tax in process	\$ 78,297	\$ 73,652	\$ 84,908	\$ (11,256)
Current tax	2,139,566	1,871,975	1,801,015	70,960
Delinquent tax	68,925	45,399	37,377	8,022
Motor vehicle tax	358,237	348,630	353,835	(5,205)
Recreational vehicle tax	3,380	3,172	3,347	(175)
In lieu of tax	89,692	70,621	91,195	(20,574)
State sources:				
State aid	2,704,094	2,683,314	2,683,314	-
Machinery and equipment tax	39,359	-	-	-
Miscellaneous	22,465	5,908	-	5,908
Total cash receipts	5,504,015	5,102,671	\$ 5,054,991	\$ 47,680
Expenditures:				
Debt service:				
Principal	3,340,000	3,515,000	\$ 3,515,000	\$ -
Interest	1,821,882	1,645,220	1,645,219	(1)
Commission and postage	-	-	200	200
Total expenditures	5,161,882	5,160,220	\$ 5,160,419	\$ 199
Receipts over (under) expenditures	342,133	(57,549)		
Unencumbered cash, beginning of year	2,698,525	3,040,658		
Unencumbered cash, end of year	\$ 3,040,658	\$ 2,983,109		

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SPECIAL REVENUE NONBUDGETED FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

Year ended June 30, 2010

	Pepsi Donation Agreement	Textbook and Student Materials Revolving	Pre-K Pilot Program	Kansas Early Learning Collaboration	Kansas Equity
Cash receipts:					
Donations	\$ 14,865	\$ -	\$ -	\$ -	\$ -
Federal aid	-	-	-	-	-
State aid	-	-	186,390	-	22,878
Fees	-	103,099	-	-	-
Other grants	-	-	-	89,641	-
Transfers from:					
General fund	-	130,000	-	-	-
Total cash receipts	<u>14,865</u>	<u>233,099</u>	<u>186,390</u>	<u>89,641</u>	<u>22,878</u>
Expenditures:					
Instruction	30,675	200,858	133,823	56,820	-
Support services:					
Student support services	-	-	38,915	33,836	-
Instructional support staff	-	-	-	-	-
General administration	297	-	-	-	-
School administration	-	171	6,521	10,000	-
Operations and maintenance	-	-	-	-	-
Student transportation services:					
Supervision	262	-	-	-	-
Other supplemental services	-	903	2,666	-	-
Facility acquisition and construction services:					
Building additions	-	-	-	-	-
Food service operations	-	-	4,931	-	-
Community service operations	-	-	-	-	-
Reimbursed expenditures	-	-	-	-	-
Total expenditures	<u>31,234</u>	<u>201,932</u>	<u>186,856</u>	<u>100,656</u>	<u>-</u>
Receipts over (under) expenditures	(16,369)	31,167	(466)	(11,015)	22,878
Unencumbered cash (deficit), beginning of year	40,738	187,688	1,660	(10,964)	(22,878)
Prior year canceled encumbrances	-	22,209	-	10	-
Unencumbered cash (deficit), end of year	<u>\$ 24,369</u>	<u>\$ 241,064</u>	<u>\$ 1,194</u>	<u>\$ (21,969)</u>	<u>\$ -</u>

The accompanying notes are an integral
part of the financial statements.

<u>NCCEP</u>	<u>Gifts and Grants</u>	<u>Kansas Lab for Education Leaders</u>	<u>Contingency Reserve</u>	<u>SAFE</u>	<u>Green Schools Grant</u>	<u>Total</u>
\$ -	\$ 256,494	\$ -	\$ -	\$ -	\$ -	\$ 271,359
-	2,000	-	-	-	-	2,000
-	8,820	-	-	-	-	218,088
-	-	-	-	46,646	-	149,745
-	-	-	-	-	2,620	92,261
-	-	-	1,126,157	-	-	1,256,157
-	267,314	-	1,126,157	46,646	2,620	1,989,610
-	8,440	-	-	31,536	-	462,152
-	-	-	-	-	-	72,751
-	-	62	-	-	-	62
-	-	-	-	-	-	297
-	-	-	-	-	-	16,692
-	151	-	-	-	-	151
-	-	-	-	-	-	262
-	-	-	-	-	-	3,569
-	15,454	-	-	-	-	15,454
-	-	-	-	-	-	4,931
-	350	-	-	-	-	350
-	-	(23)	-	-	-	(23)
-	24,395	39	-	31,536	-	576,648
-	242,919	(39)	1,126,157	15,110	2,620	1,412,962
14,189	541,668	-	3,132,500	-	(9,612)	3,874,989
-	16,916	39	-	-	-	39,174
<u>\$ 14,189</u>	<u>\$ 801,503</u>	<u>\$ -</u>	<u>\$ 4,258,657</u>	<u>\$ 15,110</u>	<u>\$ (6,992)</u>	<u>\$ 5,327,125</u>

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SPECIAL REVENUE FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

Year ended June 30, 2010

	Title I	Title I Migrant	Title V Innovative Program	Title IID Ed Technology	Head Start
Cash receipts:					
Federal aid	\$ 1,996,411	\$ 1,200,000	\$ -	\$ 37,478	\$ 1,630,250
Third party in-kind match	-	-	-	-	445,591
Total cash receipts	1,996,411	1,200,000	-	37,478	2,075,841
Expenditures:					
Instruction	1,327,006	844,498	-	32,037	1,257,959
Support services:					
Student support services	391,694	118,880	-	-	399,932
Instructional support staff	81,206	6,021	-	4,512	9,286
General administration	188,520	117,323	-	929	71,209
School administration	-	109,276	-	-	76,929
Operations and maintenance	7,984	723	-	-	65,973
Student transportation services:					
Supervision	-	-	-	-	187,170
Vehicle operating services	-	-	-	-	3,071
Other supplemental services	-	2,213	-	-	19,777
Vehicle and maintenance services	-	-	-	-	-
Food service operations	-	-	-	-	43,881
Reimbursed expenditures	(54)	-	(134)	(30)	(1)
Refund to state	3,959	2,096	-	129	-
Total expenditures	2,000,315	1,201,030	(134)	37,577	2,135,186
Receipts over (under) expenditures	(3,904)	(1,030)	134	(99)	(59,345)
Unencumbered cash (deficit), beginning of year	3,904	1,030	(134)	100	(258,782)
Prior year canceled encumbrances	-	43	-	-	244
Unencumbered cash (deficit), end of year	\$ -	\$ 43	\$ -	\$ 1	\$ (317,883)

The accompanying notes are an integral
part of the financial statements.

Kansas Early Head Start	Title IV Drug Free Schools Program	Program Improvement	Title III English Language Acquisition	Title IIA Teacher Quality	Kansas Advance Placement	ARRA Education for Homeless	Total
\$ 487,175	\$ 26,141	\$ 69,421	\$ 237,619	\$ 268,120	\$ -	\$ 560	\$ 5,953,175
-	-	-	-	-	-	-	445,591
487,175	26,141	69,421	237,619	268,120	-	560	6,398,766
113,154	12,500	62,090	223,914	129,403	9,902	560	4,013,023
321,248	13,146	-	-	122,286	-	-	1,367,186
-	-	3,860	8,773	10,606	-	-	124,264
2,102	550	3,471	4,754	5,822	-	-	394,680
-	-	-	-	-	-	-	186,205
-	-	-	-	-	-	-	74,680
-	-	-	-	-	-	-	187,170
-	-	-	-	-	-	-	3,071
4,709	-	-	-	-	-	-	26,699
30,648	-	-	-	-	-	-	30,648
-	-	-	-	-	-	-	43,881
-	(968)	-	-	(446)	-	-	(1,633)
-	-	-	19	-	-	-	6,203
471,861	25,228	69,421	237,460	267,671	9,902	560	6,456,077
15,314	913	-	159	449	(9,902)	-	(57,311)
(75,716)	(842)	100	19	(449)	15,000	-	(315,770)
224	-	-	-	3	-	-	514
\$ (60,178)	\$ 71	\$ 100	\$ 178	\$ 3	\$ 5,098	\$ -	\$ (372,567)

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SPECIAL REVENUE OTHER FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

Year ended June 30, 2010

	<u>District Special</u>	<u>Dodge City High School</u>	<u>Dodge City Middle School</u>	<u>Central Elementary</u>
Cash receipts:				
Other charges/sales/grants/donations	\$ 45,421	\$ 8,722	\$ -	\$ 2,240
Expenditures:				
Student support services	<u>51,965</u>	<u>9,711</u>	<u>25</u>	<u>567</u>
Receipts over (under) expenditures	(6,544)	(989)	(25)	1,673
Unencumbered cash, beginning of year	<u>27,426</u>	<u>5,540</u>	<u>461</u>	<u>112</u>
Unencumbered cash, end of year	<u><u>\$ 20,882</u></u>	<u><u>\$ 4,551</u></u>	<u><u>\$ 436</u></u>	<u><u>\$ 1,785</u></u>

The accompanying notes are an integral
part of the financial statements.

<u>Northwest Elementary</u>	<u>Sunnyside Elementary</u>	<u>Wilroads Gardens Elementary</u>	<u>Kansas Heritage Center</u>	<u>Ross Elementary</u>	<u>Total</u>
\$ -	\$ 5,206	\$ 1,292	\$ 47,992	\$ 2,190	\$ 113,063
-	5,376	1,340	45,977	2,010	116,971
-	(170)	(48)	2,015	180	(3,908)
1,023	1,579	197	83,791	-	120,129
<u>\$ 1,023</u>	<u>\$ 1,409</u>	<u>\$ 149</u>	<u>\$ 85,806</u>	<u>\$ 180</u>	<u>\$ 116,221</u>

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

OTHER FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

Year ended June 30, 2010

	<u>Debt service</u> <u>Certificates of</u> <u>Participation</u> <u>Principal</u> <u>and Interest</u>	<u>Capital projects</u> <u>Construction</u>	<u>Permanent</u> <u>Marilyn</u> <u>Shipley</u> <u>Children</u> <u>Literacy</u>	<u>Total</u>
Cash receipts:				
Interest	\$ 7	\$ 196	\$ -	\$ 203
Debt proceeds	-	5,575,000	-	5,575,000
Gain on investments	-	-	308	308
Transfer from capital outlay fund	1,596,698	-	-	1,596,698
Total cash receipts	<u>1,596,705</u>	<u>5,575,196</u>	<u>308</u>	<u>7,172,209</u>
Expenditures:				
Facility acquisition and construction services:				
Repair and remodeling building	-	5,444,023	-	5,444,023
Debt service:				
Principal	1,490,000	-	-	1,490,000
Interest	106,700	-	-	106,700
Issuance costs and miscellaneous	-	116,462	-	116,462
Grants and scholarships	-	-	252	252
Total expenditures	<u>1,596,700</u>	<u>5,560,485</u>	<u>252</u>	<u>7,157,437</u>
Receipts over (under) expenditures	5	14,711	56	14,772
Unencumbered cash, beginning of year	<u>4,330</u>	<u>167,688</u>	<u>3,825</u>	<u>175,843</u>
Unencumbered cash, end of year	<u>\$ 4,335</u>	<u>\$ 182,399</u>	<u>\$ 3,881</u>	<u>\$ 190,615</u>

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

DISTRICT ACTIVITY FUNDS

**STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH (DEFICIT)**

Year ended June 30, 2010

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Cash receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add outstanding encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
Gate receipts:						
Dodge City High School:						
Athletics	\$ 1,266	\$ 92,041	\$ 86,476	\$ 6,831	\$ -	\$ 6,831
Club services	88	14,421	14,511	(2)	-	(2)
Sub-state	323	33,363	33,642	44	-	44
Advertising	2,533	23,071	22,407	3,197	-	3,197
Tournament of Champions	7,375	32,994	30,644	9,725	-	9,725
All sports booster	3,727	-	87	3,640	-	3,640
Dodge City Middle School:						
Athletics	1,454	30,036	30,315	1,175	-	1,175
Subtotal gate receipts	16,766	225,926	218,082	24,610	-	24,610
School projects:						
District special	206,817	289,400	131,557	364,660	-	364,660
Dodge City High School	22,896	72,059	64,026	30,929	-	30,929
Dodge City Middle School	11,567	6,385	11,781	6,171	-	6,171
Soule Intermediate Center	982	2,465	2,067	1,380	-	1,380
Comanche Intermediate Center	1,074	1,558	2,450	182	-	182
Elementary schools:						
Beeson	775	3,300	3,300	775	-	775
Central	339	197	-	536	-	536
Linn	3,502	2,162	1,877	3,787	-	3,787
Miller	657	1,221	1,010	868	-	868
Northwest	179	129	105	203	-	203
Sunnyside	117	-	-	117	-	117
Ross	162	290	43	409	-	409
Subtotal school projects	249,067	379,166	218,216	410,017	-	410,017
Total district activity funds	\$ 265,833	\$ 605,092	\$ 436,298	\$ 434,627	\$ -	\$ 434,627

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS

Year ended June 30, 2010

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Cash receipts</u>	<u>Cash disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
High School:				
Band	\$ 17,076	\$ 106,684	\$ 117,785	\$ 5,975
Student Band	6,969	19,513	710	25,772
Big Trip Account	-	84,149	35,950	48,199
Broadcasting	1,480	1,305	2,232	553
Future Business Leaders of America (FBLA)	564	1,599	1,178	985
FBLA Store	514	5,025	4,652	887
Cheerleaders	861	33,667	31,344	3,184
Chorus	970	25,530	23,045	3,455
Class of 2010	12	1,200	1,212	-
Class of 2011	2,400	2,000	3,998	402
Class of 2012	1,200	1,200	2,025	375
Class of 2013	721	1,200	721	1,200
Debate	31	4,193	4,001	223
Dodger	3,670	4,570	6,287	1,953
Drama Club	1,700	4,898	4,387	2,211
Drill Team	8,110	39,311	40,585	6,836
Foreign Language Club	657	371	400	628
Future Farmers of America (FFA)	193	17,100	16,991	302
Family Career and Community Leaders of America (FCCLA)	175	9,452	7,466	2,161
Health Operation Services of America (HOSA)	3,320	3,840	3,941	3,219
Heritage Panel	4,873	4,266	4,986	4,153
Image Makers	146	2,146	2,196	96
Kansas Association for Youth (KAYS)	280	3,275	3,200	355
National Honor Society (NHS)	2,624	2,184	2,348	2,460
Octagon Club	1,061	553	751	863
Orchestra	1,066	31,046	30,470	1,642
Peer Helpers	2	-	-	2
Students Against Destructive Decisions (SADD)	499	371	248	622
Student Council	3,894	7,271	6,702	4,463
Graphic Design	-	2,052	2,049	3
Hot Shots Photography	436	5,226	5,495	167
Fellowship of Christian Athletes (FCA)	2,404	3,936	4,826	1,514
Future Teacher Club	40	260	294	6
Subtotal High School	<u>67,948</u>	<u>429,393</u>	<u>372,475</u>	<u>124,866</u>

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS (CONTINUED)

Year ended June 30, 2010

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Cash receipts</u>	<u>Cash disbursements</u>	<u>Ending cash balance</u>
Middle School:				
Drill Team	\$ 31	\$ 1,586	\$ 1,533	\$ 84
Heritage Panel	471	1,740	1,740	471
Student Council	373	888	1,241	20
Spirit Club	141	599	629	111
Fellowship of Christian Athletes (FCA)	60	-	10	50
Subtotal Middle School	<u>1,076</u>	<u>4,813</u>	<u>5,153</u>	<u>736</u>
Total student organization funds	<u>69,024</u>	<u>434,206</u>	<u>377,628</u>	<u>125,602</u>
Clearing funds:				
Health care services reserve	1,229,092	5,139,913	5,380,938	988,067
Special account:				
Sales tax	867	20,675	20,454	1,088
Dental insurance	21,012	88,676	85,752	23,936
Vision insurance	784	23,677	22,082	2,379
Met Life	873	11,534	8,233	4,174
Money market interest	20,082	567	-	20,649
Middle School:				
Sales tax	-	205	205	-
Total clearing funds	<u>1,272,710</u>	<u>5,285,247</u>	<u>5,517,664</u>	<u>1,040,293</u>
Total agency funds	<u>\$ 1,341,734</u>	<u>\$ 5,719,453</u>	<u>\$ 5,895,292</u>	<u>\$ 1,165,895</u>

The accompanying notes are an integral
part of the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statements is presented to assist in understanding the District's financial statements, which are presented in conformity with the cash basis and budget laws of the State of Kansas. The financial statements and notes are representations of the District's management, which is responsible for their integrity and objectivity. The amounts shown for 2009 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2010, and are not intended to present all information necessary for a fair presentation in accordance with the basis of accounting described below. Certain prior year amounts have been reclassified to result in more comparative statements.

1. Reporting entity

U.S.D. No. 443, Dodge City, Kansas is a municipal corporation governed by an elected seven-member board. The scope of the entity for financial reporting purposes is defined as those funds for which the governing body of the District has financial accountability. Financial accountability includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds. These financial statements include all funds included in the District's legally adopted budget and trust funds controlled or administered by District employees in their capacity as District employees.

2. Fund accounting

The accounts of the District are organized on the basis of funds. In governmental accounting a fund is designated as a sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal and accounting entity. District resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following funds comprise the financial activities of the District for the year ended June 30, 2010:

GOVERNMENTAL FUNDS

General Funds

The general funds are used to account for all financial transactions not properly accounted for in another fund. They receive a greater variety and number of taxes and other general revenue than any other fund and finance a wider range of activities than any other fund.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fund accounting (continued)

GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources which must be devoted to some special use as required by law or specific regulation.

Debt Service Funds

Debt service funds are used to account for the financing of long-term debt that is not otherwise financed from other revenue.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition and construction of major capital facilities.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the District as an agent for individuals, private organizations and other governmental units.

3. Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Accounting (continued)

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. A statement of net assets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance is not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences is not presented in the financial statements.

4. Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing must be held and the governing body may amend the budget at that time. Budgets were amended for the following funds:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
General	\$ 42,733,402	\$ 43,520,972
Bilingual education	2,763,067	3,013,686
At risk	8,761,759	9,326,595

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary information (continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for state and federal grant funds, capital projects funds, fiduciary funds, permanent funds, and the following special revenue and debt service funds:

- Pepsi Donation Agreement
- Textbook and Student Materials Revolving
- NCCEP
- Gifts and Grants
- Contingency Reserve
- SAFE
- District Activity Funds
- Certificates of Participation Principal and Interest

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Cash and investments and restricted cash

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in interest-bearing deposits and disclosed as part of the District's deposits. Unless specifically designated, all investment income is credited to funds designated by K.S.A. 10-131, K.S.A. 12-1677 and K.S.A. 72-6427. Investments are recorded at cost.

The cash in the permanent fund is restricted for the purchase of books.

6. Ad valorem tax revenue

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied by November 1 and a lien for all taxes attaches on that same date until taxes are paid. One-half of the property taxes is due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Pension plan

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs) which is a cost-sharing multiple-employer state-wide pension plan. The State of Kansas pays the District's share of all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

8. Compensated absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding vacation and sick pay permit full-time classified employees to earn five days of vacation at the close of the first year and ten days after each subsequent year of service up to ten years. After ten years of service, fifteen days are granted. Anniversary dates for vacation purposes are July 1st to correspond with the fiscal year of the District. Vacation time is prorated for new or separating employees who do not complete a full fiscal year of employment on a July 1 through June 30 cycle. Policies prohibit payment for vacation time in lieu of time off. Sick leave, for all employees, may be accumulated at the rate of twelve days per year up to a total accumulation of one hundred days. In the event of retirement, resignation or termination of service, accumulated sick leave is lost. In the event of death, the beneficiary of the employee may receive pay for the amount of accumulated sick leave or one and one half additional months pay from the time of death, whichever is greater.

9. Section 125 Plan

The District offers a section 125 flexible benefit plan to employees electing to participate. It is used for medical reimbursements and health, dental, life, and cancer insurance costs and for qualified dependent care expenses. The plan is administered by a third party administrator.

10. Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts and the disclosures at the date of the financial statements. Actual results could differ from those estimates.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, the State Department of Education and legal representatives of the District.

Although certain special revenue federal grant funds overspent their cash balances, according to K.S.A. 12-1664 the District is not prohibited from financing the federal share of a local program from current funds if available.

K.S.A. 72-6761 limits the amount of bonds that a school district may have outstanding at any one time to 14% of the assessed valuation of taxable tangible property within the school district. At year end, the District had \$38,075,000 of bonds outstanding which is 20.8% of the assessed valuation. Pursuant to K.S.A. 75-2315, the District applied to the Kansas State Board of Education and was granted an exemption from K.S.A. 72-6761.

B. COMPLIANCE WITH KANSAS STATUTES (CONTINUED)

The cash basis law provided by K.S.A. 10-1113 prohibits the expenditures of funds in excess of available cash.

The General and Supplemental General Funds showed an ending unencumbered cash deficit of \$5,748,632 and \$1,252,850 respectively for the year ended June 30, 2010. This was a result of the State of Kansas not making its final payment until after the end of the fiscal year. The District was instructed by the State to expend the authorized budget for the year even though the balance due to the District from the State of Kansas was received after the end of the fiscal year. K.S.A. 10-1116a exempts school districts from the cash basis law in this situation.

K.S.A. 72-6417 and K.S.A. 72-6434 require that districts receiving state aid in July for the previous fiscal year ended in June to record and account for these funds as receipts for the previous fiscal year ending on the preceding June 30. The following schedules demonstrate compliance with these statutes.

B. COMPLIANCE WITH KANSAS STATUTES (CONTINUED)

GENERAL FUND

SCHEDULE OF STATUTORY RECEIPTS, EXPENDITURES AND BALANCES

Year ended June 30, 2010

	Statutory amounts	Budget	Variance favorable (unfavorable)
Statutory receipts:			
Taxes:			
Tax in process	\$ 98,113	\$ 62,486	\$ 35,627
Current tax	3,121,557	2,984,805	136,752
Delinquent tax	46,870	52,404	(5,534)
In lieu of tax	131,010	117,236	13,774
Federal sources:			
ARRA stabilization	1,958,253	1,958,253	-
State sources:			
State aid - general	33,238,644	33,427,021	(188,377)
State aid - special education	3,984,123	4,918,767	(934,644)
Mineral production tax	4,907	-	4,907
Total statutory receipts	<u>42,583,477</u>	<u>\$ 43,520,972</u>	<u>\$ (937,495)</u>
Expenditures and transfers subject to legal maximum budget:			
Instruction	10,748,537	\$ 12,417,308	\$ 1,668,771
Support services:			
Student support services	52,480	47,762	(4,718)
Instructional support staff	339,019	348,311	9,292
General administration	1,057,049	1,229,844	172,795
School administration	189,292	1,134,948	945,656
Operations and maintenance	3,328,136	4,360,457	1,032,321
Student transportation services:			
Supervision	150,604	986,632	836,028
Vehicle operating services	1,247,858	816,171	(431,687)
Vehicle services and maintenance services	389,137	178,987	(210,150)
Other supplemental services	1,019,334	-	(1,019,334)
Architectural and engineering services	3,750	-	(3,750)
Repair and remodeling building	1,848,178	-	(1,848,178)
Operating transfers	22,213,204	22,000,552	(212,652)
Adjustment to comply with legal maximum budget	<u>-</u>	<u>(934,394)</u>	<u>(934,394)</u>
Total expenditures and transfers subject to legal maximum budget	<u>42,586,578</u>	<u>\$ 42,586,578</u>	<u>\$ -</u>
Statutory receipts over (under) expenditures	(3,101)		
Statutory balance, beginning of year	3,101		
Prior year canceled encumbrances	<u>4,581</u>		
Statutory balance, end of year	<u>\$ 4,581</u>		

B. COMPLIANCE WITH KANSAS STATUTES (CONTINUED)

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF STATUTORY RECEIPTS, EXPENDITURES
AND BALANCES

Year ended June 30, 2010

	Statutory amounts	Budget	Variance favorable (unfavorable)
Statutory receipts:			
Taxes:			
Tax in process	\$ 115,569	\$ 91,005	\$ 24,564
Current tax	3,829,650	3,560,203	269,447
Delinquent tax	61,421	57,895	3,526
Motor vehicle tax	444,479	454,434	(9,955)
Recreational vehicle tax	4,031	4,298	(267)
In lieu of tax	144,655	117,152	27,503
Federal sources:			
ARRA stabilization	1,982,710	-	1,982,710
State sources:			
State aid	5,835,623	7,859,377	(2,023,754)
Total statutory receipts	12,418,138	\$ 12,144,364	\$ 273,774
Expenditures and transfers subject to legal maximum budget:			
Instruction	1,535,919	\$ 1,677,550	\$ 141,631
Support services:			
Student support services	840,431	1,231,822	391,391
Instructional support staff	663,634	1,014,238	350,604
General administration	172,203	53,950	(118,253)
School administration	3,216,757	3,811,766	595,009
Operations and maintenance	2,617,676	2,293,952	(323,724)
Other supplemental services	695,218	-	(695,218)
Other acquisition and construction	3,080	-	(3,080)
Debt service	321,000	-	(321,000)
Operating transfers	2,436,074	2,418,714	(17,360)
Total expenditures and transfers subject to legal maximum budget	12,501,992	\$ 12,501,992	\$ -
Statutory receipts over (under) expenditures	(83,854)		
Statutory balance, beginning of year	361,835		
Statutory balance, end of year	\$ 277,981		

C. DEPOSITS AND INVESTMENTS

Policies. The Board of Education has adopted a formal policy for deposits and investments that directs the District to follow state statutes. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. Additionally, K.S.A. 10-131(a)(6) authorizes the District to invest proceeds of bonds in obligations of the Federal National Mortgage Association, Federal Home Loan Banks, or the Federal Home Loan Mortgage Corporation. State statutes place no limit on the amount the District may invest in any one issuer.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year-end the carrying amount of the District's deposits, including certificates of deposit, was \$9,273,003. The bank balance was \$14,831,660. Of the bank balance, \$14,031,660 was covered by FDIC insurance, and \$800,000 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name.

Investments. As of June 30, 2010, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>
Federal Treasury Obligation Fund #395	\$ 4,891,224	Money market	AAAm
Federal Treasury Obligation Fund #398	4,335	Money market	AAAm
Kansas Municipal Investment Pool	1,830,229	See below	AAAf
Funds at Community Foundation of SW Kansas	<u>3,881</u>	Money market	
	<u>\$ 6,729,669</u>		

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At June 30, 2010, all uninsured investments were titled in the name of the District.

At June 30, 2010, the District had invested \$1,830,229 in the Kansas Municipal Investment Pool. The Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. Separately issued financial statements of the Kansas Municipal Investment Pool may be obtained from the Pooled Money Investment Board, 900 S.W. Jackson, Suite 209, Topeka, Kansas 66612-1220.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit quality risk. Investment quality ratings given above are per Standard and Poor's Investment Service.

Concentration of credit risk. Investment types and percents at cost are as follows: Federated Treasury Obligation Fund #395 at 72.68%, Federated Treasury Obligation Fund #398 at .06%, the Kansas Municipal Investment Pool 27.20%, and the Community Foundation of Southwest Kansas at .06%.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

D. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2010, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
School building bonds - Series 2000					
Issued February 1, 2000					
In the amount of \$18,000,000					
At interest rates of 5.50% to 8.25%					
Maturing September 1, 2009	\$ 840,000	\$ -	\$ 840,000	\$ -	\$ 23,100
School building bonds - Series 2002					
Issued October 1, 2002					
In the amount of \$25,580,000					
At interest rate of 2.40% to 5.00%					
Maturing March 1, 2018	19,265,000	-	1,370,000	17,895,000	866,620
School building bonds - Series 2008					
Issued February 15, 2008					
In the amount of \$22,930,000					
At interest rate of 3.00% to 4.00%					
Maturing September 1, 2018	21,485,000	-	1,305,000	20,180,000	755,500
School building bonds - Series 2008					
Issued February 15, 2008					
In the amount of \$695,000					
At interest rate of 3.00%					
Maturing September 1, 2009	355,000	-	355,000	-	5,325
Total general obligation bonds	41,945,000	-	3,870,000	38,075,000	1,650,545
Certificates of participation:					
Elementary school - Series 2006					
Issued June 1, 2006					
In the amount of \$7,165,000					
At interest rate of 4.00%					
Maturing June 1, 2011	3,040,000	-	1,490,000	1,550,000	106,700
Middle School Renovations - Series 2010					
Issued February 18, 2010					
In the amount of \$5,575,000					
At interest rate of 2.00% to 2.30%					
Maturing June 2, 2014	-	5,575,000	-	5,575,000	-
Quality Zone Academy Bond - Series 2001-A					
Issued June 28, 2001					
In the amount of \$700,000					
At interest rate of 0.00%					
Maturing June 28, 2011	140,000	-	70,000	70,000	-
Quality Zone Academy Bond - Series 2001-B					
Issued June 28, 2001					
In the amount of \$1,114,000					
At interest rate of 0.00%					
Maturing June 28, 2011	222,800	-	111,400	111,400	-
Quality Zone Academy Bond - Series 2002					
Issued June 21, 2002					
In the amount of \$1,386,000					
At interest rate of 0.00%					
Maturing June 21, 2012	415,800	-	138,600	277,200	-
Total certificates of participation	3,818,600	5,575,000	1,810,000	7,583,600	106,700

D. LONG-TERM DEBT (CONTINUED)

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
Special assessments:					
Ross Boulevard					
Issued June 20, 2001					
In the amount of \$1,005,943					
At interest rate of 4.10%					
Maturing December 1, 2010	\$ 230,696	\$ -	\$ 113,030	\$ 117,666	\$ 9,462
Termination benefits:					
Early retirement payable	52,479	246,996	29,433	270,042	-
Total long-term debt	\$46,046,775	\$ 5,821,996	\$ 5,822,463	\$46,046,308	\$ 1,766,707

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

	Principal due	Interest due	Total due
2011	\$ 3,665,000	\$ 1,495,370	\$ 5,160,370
2012	3,825,000	1,339,270	5,164,270
2013	3,995,000	1,173,476	5,168,476
2014	4,165,000	997,814	5,162,814
2015	4,355,000	822,095	5,177,095
2016-2019	18,070,000	1,480,035	19,550,035
Total	\$ 38,075,000	\$ 7,308,060	\$ 45,383,060

Current maturities of certificates of participation and interest through maturity are as follows:

	Principal due	Interest due	Total due
2011	\$ 1,870,000	\$ 192,602	\$ 2,062,602
2012	1,978,600	104,400	2,083,000
2013	2,020,000	66,700	2,086,700
2014	1,715,000	26,250	1,741,250
Total	\$ 7,583,600	\$ 389,952	\$ 7,973,552

Current maturities of special assessments and interest through maturity are as follows:

	Principal due	Interest due	Total due
2011	\$ 117,666	\$ 4,826	\$ 122,492

E. OPERATING LEASES

The District has entered into operating lease agreements for copier rental and maintenance, facility space, mail system equipment and fiber optic networking. Rental payments for the current year totaled \$510,357. The operating lease agreements expire at various dates through the year 2016.

The following is a yearly schedule of future minimum rental payments under the operating leases:

2011	\$ 550,454
2012	414,183
2013	401,705
2014	396,491
2015	277,535
2016	<u>75,547</u>
	<u>\$ 2,115,915</u>

F. INTERFUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenue are operating transfers. These transfers, authorized by K.S.A. 72-6428 and K.S.A. 72-6433, are as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>
General	Bilingual education	\$ 3,013,686
General	Textbook and student materials revolving	130,000
General	Special education	3,984,123
General	Capital outlay	3,172,018
General	Professional development	194,503
General	Vocational education	970,972
General	Parents as teachers	31,359
General	At risk	9,224,390
General	4 year old at risk	314,241
General	Contingency reserve	1,126,157
General	Virtual education	51,755
Supplemental general	Vocational education	277,810
Supplemental general	Special education	2,158,264
Capital outlay	COP principal and interest	<u>1,596,698</u>
		<u>\$ 26,245,976</u>

G. DEFINED BENEFIT PENSION PLAN

Plan description. The District contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869), at the following website: <http://da.state.ks.us/ar/muniserv/AuditorInfo.htm> or by calling 1-888-275-5737.

G. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4.00% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 8.57% of covered payroll for July 1, 2009 through June 30, 2010. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009, and 2008 were \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the required contributions for each year.

H. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters; and medical needs of employees for which the District purchases commercial insurance. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

I. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and State pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2010.

J. VOLUNTARY EARLY RETIREMENT PLAN

Certified personnel may voluntarily elect to retire early. Personnel must have vested credit recognized by KPERS of at least ten years. The annual early retirement benefit to be paid to the employee by the school district shall be the sum equal to 150% of the difference between what the employee would have received from KPERS and Social Security upon retirement at age 65, and what the employee would receive from KPERS and Social Security with early retirement. Employees are eligible at age 62 and can receive this benefit until age 65. The benefit is paid annually in January.

The future commitments of the District are:

2011	\$ 93,855
2012	93,855
2013	<u>82,332</u>
	<u>\$ 270,042</u>

K. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

L. CAPITAL PROJECTS

As of June 30, 2010, the District had the following commitments with respect to unfinished capital projects:

<u>Project</u>	<u>Project commitments authorized</u>	<u>Expenditures to date</u>	<u>Remaining financial commitment</u>
DCMS and Northwest parking lot	\$ 479,780	\$ 38,934	\$ 440,846
DCMS, Building A & B renovations	<u>8,452,848</u>	<u>4,100,511</u>	<u>4,352,337</u>
	<u>\$ 8,932,628</u>	<u>\$ 4,139,445</u>	<u>\$ 4,793,183</u>

M. SUBSEQUENT EVENT

Management has evaluated subsequent events through January 14, 2011, the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.

APPENDICES

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308

JAMES W. KENNEDY, CPA
JAMES R. SHIRLEY, CPA
LU ANN WETMORE, CPA
ROBERT C. NEIDHART, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Unified School District No. 443
Dodge City, Kansas

We have audited the financial statements of Unified School District No. 443 as of and for the year ended June 30, 2010, and have issued our report thereon dated January 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the District has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 443's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 443's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education and management of Unified School District No. 443, the Kansas Departments of Administration and Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy McKee & Company LLP

January 14, 2011

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308

JAMES W. KENNEDY, CPA
JAMES R. SHIRLEY, CPA
LU ANN WETMORE, CPA
ROBERT C. NEIDHART, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Unified School District No. 443
Dodge City, Kansas

Compliance

We have audited Unified School District No. 443's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Unified School District No. 443 complied, in all material respects, with the compliance requirements referred to above that have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Unified School District No. 443 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education and management of Unified School District No. 443, the Kansas Departments of Administration and Education, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy McKee & Company LLP

January 14, 2011

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2010

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Cash receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Health and Human Services							
Direct Program:							
Head Start - 2009-10	93.600	N/A	\$ 10,325	\$ -	\$ 1,355,959	\$ 1,600,543	\$ (234,259)
Head Start T/TA - 2009-10	93.600	N/A	-	-	4,019	21,220	(17,201)
Head Start - 2008-09	93.600	N/A	(259,923)	244	254,505	(889)	(4,285)
Head Start T/TA - 2008-09	93.600	N/A	(4,900)	-	4,899	(1)	-
Head Start - 2006-07	93.600	N/A	(4,285)	-	4,285	-	-
ARRA - Head Start	93.708	N/A	-	-	6,584	68,722	(62,138)
Passed through Kansas Department of Social and Rehabilitation Services:							
Child Care and Development Block Grant:							
Kansas Early Head Start - 2008-09	93.575	EHS-09-07100200	(75,716)	223	73,475	-	(2,018)
Kansas Early Head Start - 2009-10	93.575	EHS-10-07100200	-	-	413,700	471,860	(58,160)
			(334,499)	467	2,117,426	2,161,455	(378,061)
U.S. Department of Education							
Passed through Kansas Department of Education:							
Title I:							
Title I - 2009-10	84.010	10443	-	-	1,334,004	1,334,004	-
Title I - 2007-08	84.010	08443	3,875	-	-	3,875	X
Title I - 2008-09	84.010	09443	(54)	-	-	(54)	-
Title I - 2007-08 carryover	84.010	08443	84	-	-	84	X
Title I - 2009-10 carryover	84.010	10443	-	-	240,759	240,759	-
ARRA - Title I	84.389	10443	-	-	421,648	421,648	-

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year ended June 30, 2010

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Cash receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Education (continued)							
Passed through Kansas Department of Education							
(continued):							
Migrant Programs:							
Migrant - 2009-10	84.011	10M443	\$ -	-	\$ 1,000,000	\$ -	-
Migrant - 2008-09	84.011	09M443	-	43	-	-	43
Migrant - 2007-08	84.011	08M443	360	-	-	360 X	-
Migrant Health Care	84.011	10M443	-	-	240	240	-
Migrant Even Start - 2009-10	84.011	10M443	-	-	198,934	198,934	-
Migrant Even Start - 2008-09	84.011	09M443	(1,066)	-	1,066	-	-
Migrant Even Start - 2007-08	84.011	08M443	1,736	-	-	1,736 X	-
Title V Innovative Programs - 2007-08							
	84.298	08443	(134)	-	-	(134)	-
Title IID:							
Ed Technology - 2009-10	84.318	10443	(28)	-	13,253	13,224	1
Ed Technology - 2008-09	84.318	09443	128	-	-	128 X	-
ARRA - Ed Technology	84.386	10443	-	-	24,225	24,225	-
Title IIA:							
Teacher Quality - 2009-10	84.367	10443	-	-	227,120	227,117	3
Teacher Quality - 2008-09	84.367	09443	-	3	-	3	-
Teacher Quality - 2007-08	84.367	08443	(126)	-	-	(126)	-
Teacher Quality - 2009-10 carryover	84.367	10443	-	-	41,000	41,000	-
Teacher Quality - 2007-08 carryover	84.367	08443	(323)	-	-	(323)	-

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year ended June 30, 2010

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Cash receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Education (continued)							
Passed through Kansas Department of Education (continued):							
Title IV:							
Drug Free - 2009-10	84.186	10443	\$ (968)	- \$	22,502	\$ 21,463	\$ 71
Drug Free - 2008-09	84.186	09443	126	-	(126)	-	-
Drug Free - 2009-10 carryover	84.186	10443	-	-	3,765	3,765	-
Carl Perkins:							
Program Improvement - 2009-10	84.048	6686	-	-	69,421	69,421	-
Program Improvement - 2008-09	84.048	6686	100	-	-	-	100
Kansas Advance Placement	84.330	N/A	15,000	-	-	9,902	5,098
Title III:							
English Language Acquisition - 2009-10	84.365	10443	-	-	237,619	237,441	178
English Language Acquisition - 2007-08	84.365	08443	19	-	-	19 X	-
ARRA Education for Homeless Children	84.387	N/A	-	-	560	560	-
Data Use Grant (Statewide Data Systems)	84.372	N/A	-	-	800	800	-
ARRA Stabilization	84.394	N/A	-	-	1,958,253	1,958,253	-
ARRA Stabilization	84.394	N/A	-	-	1,982,710	1,982,710	-
			18,729	46	7,777,753	7,791,034	5,494

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year ended June 30, 2010

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Cash receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Homeland Security							
Passed through Kansas Department of Education: School Preparedness	97.042	N/A	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -
U.S. Department of Agriculture							
Passed through Kansas Department of Education:							
School Breakfast Program	10.553	N/A	-	-	532,201	532,201	-
National School Lunch Program	10.555	N/A	-	-	2,161,099	2,161,099	-
Summer Food Service Program for Children	10.559	N/A	-	-	112,826	112,826	-
Team Nutrition Grants	10.574	N/A	-	-	800	800	-
State Administrative Expenses for Child Nutrition	10.560	N/A	-	-	200	200	-
			-	-	2,807,126	2,807,126	-
Total federal assistance			\$ (315,770)	\$ 513	\$ 12,704,305	12,761,615	\$ (372,567)
Grant funds returned to the State						(6,203)	
Federal expenditures per the Data Collection Form						\$12,755,412	
X - Grant funds returned state							

Note - The Schedule of Expenditures of Federal Awards is prepared in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2010

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District No. 443.
2. There were no significant deficiencies disclosed during the audit of the financial statements and reported in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District No. 443 which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies relating to the audit of internal control over major federal programs were reported in the Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 443 expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Unified School District No. 443 as reported in Part C. of this Schedule.
7. The programs tested as major programs included:
 - Head Start (CFDA #93.600)
 - ARRA Head Start (CFDA #93.708)
 - Child Care & Development Block Grant (CFDA #93.575)
 - Title I (CFDA #84.010)
 - ARRA Title I (CFDA #84.389)
 - Migrant (CFDA #84.011)
 - ARRA Stabilization (CFDA #84.394)
8. The threshold for distinguishing Type A and B programs was \$382,623.
9. Unified School District No. 443 did not qualify as a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year ended June 30, 2010

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None noted

**UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2010

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None relative to federal awards.

